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6 **IN THE UNITED STATES DISTRICT COURT**
7 **FOR THE DISTRICT OF ARIZONA**
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9 Alex Smith,

10 Plaintiff,

11 v.

12 Airbnb Incorporated,

13 Defendant.
14

No. CV-23-02541-PHX-SMM

ORDER

15 Pending before the Court is Defendant's Motion to Dismiss Plaintiff's Second
16 Amended Complaint for Failure to State a Claim. (Doc. 25). For the following reasons,
17 the Court will grant the motion. Further, the Court will not grant leave to amend as it
18 finds the deficiencies to be uncurable.

19 **I. BACKGROUND**

20 Plaintiff, Alex Smith, runs a business promoting the listing of clients on leading
21 travel portals, including the platform of Defendant, Airbnb Incorporated. On July 8,
22 2021, Plaintiff registered with GoDaddy.com the domain <airbnbseo.com>, for the
23 business use described. Defendant is a community marketplace for people to list,
24 discover, and book accommodations around the world. Defendant has rights in
25 the AIRBNB mark through its registration with the United States Patent and Trademark
26 Office ("USPTO") See, e.g., AIRBNB, Registration No. 3,890,025); (Doc. 25) at exhibit
27 1.

28 The dispute between Plaintiff and Defendant begun on October 30, 2023, when

1 Defendant initiated a Uniform-Name Resolution Policy (UDRP) proceeding to recover
2 the domain <airbnbseo.com> from Plaintiff. The UDPR is a process, established by the
3 Internet Corporation for Assigned Names and Numbers (“ICANN”)¹ for the resolution of
4 disputes regarding the registration of internet domain names. GoDaddy, the domain
5 register for <airbnbseo.com> has implemented the UDPR. Uniform Domain Name
6 Dispute Resolution Policy, GODADDY, [https://www.godaddy.com/legal/agreements/
7 domain-name-dispute-resolution-policy](https://www.godaddy.com/legal/agreements/domain-name-dispute-resolution-policy).

8 In accordance with the UDRP, the dispute was heard by FORUM, an alternative
9 dispute resolution body that has been administering domain name disputes since 1999. At
10 the Forum hearing, the assigned panelist found that the disputed domain name is
11 confusingly similar to Plaintiff’s mark, Defendant established prior rights in the
12 distinctive AIRBNB mark, Plaintiff has no rights or legitimate interests in respect of the
13 domain name, and that Plaintiff registered and used the domain name in bad faith. The
14 panelist ordered GoDaddy to transfer the domain name from Plaintiff to Defendant. Ho-
15 Hyun Nahm, Decision, Airbnb, Inc. v. Alex Smith, ADR FORUM, [https://www.adr
16 forum.com/DomainDecisions/2068708.htm](https://www.adrforum.com/DomainDecisions/2068708.htm).

17 Plaintiff then timely filed suit in this court to halt the ordered domain transfer.
18 Plaintiff has amended his Complaint twice. Specifically, Plaintiff brings a claim of action
19 under Arizona state law for unjust enrichment, several claims asserting a declaration that
20 his registration of the domain does not violate the Anti-Cybersquatting and Consumer
21 Protection Act (“ACPA”) or otherwise infringe upon Airbnb’s rights, and requests
22 temporary and permanent injunctive relief stopping the domain transfer. Plaintiff also
23 raises First Amendment and doctrine of laches concerns in the Complaint. However, such
24 concerns seem to largely be copied and pasted into the Complaint without integration into
25 his causes of action.

26 ¹ ICANN is a nonprofit organization responsible for coordinating the maintenance and
27 procedures of several databases related to the namespaces and numerical spaces of the
28 Internet. Bylaws for Internet Corporation for Assigned Names and Numbers, a California
Nonprofit Public Benefit Corporation, ICANN, [https://www.icann.org/en/governance/
documents/bylaws-for-internet-corporation-for-assigned-names-and-numbers-a-
california-nonprofit-public-benefit-corporation-icann-17-11-2023-en](https://www.icann.org/en/governance/documents/bylaws-for-internet-corporation-for-assigned-names-and-numbers-a-california-nonprofit-public-benefit-corporation-icann-17-11-2023-en).

II. LEGAL STANDARD

A pleading must contain “a short and plain statement of the claim showing that the pleader is entitled to relief.” Fed. R. Civ. P. 8(a)(2). The pleading must “put defendants fairly on notice of the claims against them.” McKeever v. Block, 932 F.2d 795, 798 (9th Cir. 1991). While Rule 8 does not demand detailed factual allegations, “a complaint must contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009) (quoting Bell Atl. Corp. v. Twombly, 550 U.S. 544, 570 (2007)). “A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged.” Id. “Threadbare recitals of the elements of a cause action, supported by mere conclusory statements, do not suffice.” Id.

Motions to dismiss under Federal Rule of Civil Procedure 12(b)(6) “can be based on the lack of a cognizable legal theory or the absence of sufficient facts alleged under a cognizable legal theory.” Balistreri v. Pacifica Police Dep’t, 901 F.2d 696, 699 (9th Cir. 1990). In evaluating a motion to dismiss, a court will “accept the factual allegations of the complaint as true and construe them in the light most favorable to the plaintiff.” AE ex rel. Hernandez v. Cnty. of Tulare, 666 F.3d 631, 636 (9th Cir. 2012).

III. ANALYSIS

A. ACPA Claims

Plaintiff’s claims in counts two, five, and six can be boiled down to a claim for relief from the allegedly incorrect decision of the UDPR panel that ordered the transfer of the domain name to Defendant. The claims are asserted under the Anticybersquatting Consumer Protection Act (“ACPA”). Pub. L. No. 106-113, §§ 3001-10, 113 Stat. 1501 (1999). The ACPA amended the Lanham Act, 15 U.S.C. § 1051 et seq., which “protects the use of trademarks in interstate and foreign commerce.” Shenzhen Big Mouth Techs. Co. v. Factory Direct Wholesale, LLC, No. 21-CV-09545-RS, 2022 WL 1016666, at *3 (N.D. Cal. 2022). The ACPA is codified in scattered sections of Title 15 of the United States Code, including 15 U.S.C. §§ 1114(2)(D) and 1125(d). See Mira Holdings, Inc. v.

1 Regents of Univ. of Cal., No. 618CV190ORL37GJK, 2018 WL 8244597, at *3 n.1 (M.D.
2 Fla. 2018).

3 A primary purpose of the ACPA is “to provide clarity in the law for trademark
4 owners by prohibiting the bad-faith and abusive registration of distinctive marks as
5 Internet domain names with the intent to profit from the goodwill associated with such
6 marks – a practice commonly referred to as ‘cybersquatting.’” S. Rep. No. 106-140, at 4
7 (1999). To balance the rights given to trademark owners against cybersquatters, the
8 ACPA also provides some protection to domain name registrants against “overreaching
9 trademark owners.” Id. at 11; see 15 U.S.C. §§ 1114(2)(D)(iv)-(v).

10 One such protection is the “reverse domain name hijacking provision” of the
11 ACPA, found in 15 U.S.C. § 1114(2)(D)(v).² See Strong Coll. Students Moving Inc. v.
12 Coll. Hunks Hauling Junk Franchising LLC, No. CV-12-01156-PHX-DJH, 2015 WL
13 12602438, at * 6 (D. Ariz. May 15, 2015). This statute provides that:

14 A domain name registrant whose domain name has been suspended,
15 disabled, or transferred under a policy described under clause (ii)(II) may,
16 upon notice to the mark owner, file a civil action to establish that the
17 registration or use of the domain name by such registrant is not unlawful
18 under this chapter. The court may grant injunctive relief to the domain
19 name registrant, including the reactivation of the domain name or transfer
20 of the domain name to the domain name registrant.

21 15 U.S.C. § 1142(D)(v). Therefore, the Court is asked to determine whether Plaintiff has
22 plausibly plead that the use of the disputed domain name did not violate the ACPA. To
23 show that his conduct is not unlawful under § 1125(d)(1), Plaintiff must “prove either (1)
24 they did not register, traffic, or use a domain name that is identical or confusingly similar
25 to a distinctive mark, or (2) they did not have a bad faith intent to profit from that mark.”

26 ² As the Fourth Circuit stated in Barcelona.com, Inc. v. Excelentísimo Ayuntamiento De
27 Barcelona, 330 F.3d 617, 625 n. 1 (4th Cir. 2003):

28 If a domain-name registrant cybersquats in violation of the ACPA, he
“hijacks” the domain name from a trademark owner who ordinarily would
be expected to have the right to use the domain name involving his
trademark. But when a trademark owner overreaches in exercising rights
under the ACPA, he “reverse hijacks” the domain name from the domain-
name registrant. Thus, § 1114(2)(D)(v), enacted to protect domain-name
registrants against overreaching trademark owners, may be referred to as
the “reverse domain name hijacking” provision.

1 Strong Coll. Students Moving, 2015 WL 12602438, at *8 (citing § 1125(d)(1)(A)(i)-(ii));
 2 see also Mira Holdings, 2018 WL 8244597, at *3 (“If the registrant ‘has a bad faith intent
 3 to profit’ from an owner's mark and registers a domain name that ‘is identical or
 4 confusingly similar’ to a mark distinctive at the time the registrant registered the domain
 5 name, such is considered unlawful under the ACPA.”): GoPets Ltd. v. Hise, 657 F.3d
 6 1024, 1030 (9th Cir. 2011) (“To prevail on its ACPA claim, [a party] must show (1)
 7 registration of a domain name, (2) that was ‘identical or confusingly similar to’ a mark
 8 that was distinctive at the time of registration, and (3) ‘bad faith intent’ at the time of
 9 registration.”) (quoting § 1125(d)(1)); Lahoti v. VeriCheck, Inc., 586 F.3d 1190, 1197-
 10 1202 (9th Cir. 2009) (noting that distinctiveness and bad faith are required to sustain an
 11 ACPA claim).

12 First, the Court finds that Plaintiff has failed to plead a claim that plausibly alleges
 13 that Plaintiff did not register, traffic, or use a domain name that is identical or confusingly
 14 similar to a distinctive mark. As an initial matter, its undisputed that Plaintiff registered
 15 the disputed domain name, as evident by Plaintiff’s own admissions. See (Doc. 17) at ¶ 6.
 16 Additionally, Defendants’ mark is distinctive, as evidenced by its registration with the
 17 USPTO. See 15 U.S.C. § 1115(a) (stating that PTO registration is “prima facie evidence
 18 of the validity of the registered mark”); see also, Lahoti, 586 F.3d at 1199 (stating that
 19 registration alone may be sufficient to find a mark to be distinctive.).

20 As Defendant’s mark is distinctive, the question turns to whether the disputed
 21 domain name is identical or confusingly similar to the mark. “In determining whether
 22 there is confusing similarity under the ACPA, courts compare the [] mark with the name
 23 of the website.” Super-Krete Int’l v. Sadleir, 712 F.Supp. 2d 1023, 1031 (C.D. Cal. 2010).
 24 The Court finds that the question is answered in the affirmative, as the disputed domain
 25 name, <airbnbseo.com> incorporates Defendant’s mark, AIRBNB. The fact that the
 26 disputed domain name adds the acronym “SEO” to the end, which stands for “search
 27 engine optimization,” does not change the fact that the disputed domain name is
 28 confusingly similar to Defendant’s mark. Yuga Labs, Inc. v. Ripps, No. CV 22-4355-

1 JFW(JEMX), 2023 WL 3316748, at * 6 (C.D. Cal. 2023); See, e.g., Coca-Cola Co. v.
2 Purdy, 382 F.3d 774, 783 (8th Cir. 2004) (affirming district court's finding that domains
3 “mywashingtonpost.com,” “mymcdonalds.com,” and “drinkcoke.org” were confusingly
4 similar to the Washington Post, McDonald's, and Coke marks); see also, Haas
5 Automation v. Denny, 2013 WL 6502876, at * 3 (C.D. Cal. 2013) (finding confusing
6 similarity where domain names all contained the plaintiff's mark ‘haas’ “plus some
7 additional term or terms,” such as haasplus.com, haasmillparts.com).

8 Next, the Court finds that Plaintiff has failed to plead a claim that plausibly alleges
9 that Plaintiff did not have a bad faith intent to profit from the use of Defendants’ mark.
10 Plaintiff advances several theories as to why his complaint adequately alleges a lack of
11 bad faith: nominative fair use, statutory fair use, the bad faith factors set forth in 15
12 U.S.C. § 1125(d)(1)(B), and the ACPA’s safe harbor provision found in 15 U.S.C. §
13 1125(d)(1)(B)(ii). Each theory advanced by Plaintiff fails to plausibly allege a lack of bad
14 faith.

15 First, Plaintiff asserts that the nominative fair use defense protects his use of the
16 disputed domain name. This argument fails as a matter of law, as nominative fair use
17 “does not bear on whether the disputed domain names run afoul of the ACPA.” Haas
18 Automation, Inc., 2013 WL 6502876 at *6.

19 Second, Plaintiff asserts that statutory fair use prevents a finding of bad faith under
20 15 U.S.C. § 1115(b)(4). This defense against a finding of bad faith is available when “the
21 use of the name, term, or device charged to be an infringement is a use, otherwise than as
22 a mark ... of a term or device which is descriptive of and used fairly and in good faith
23 only to describe the goods.” 15 U.S.C. § 1115(b)(4). This defense fails on its face, as
24 Plaintiff asserts a property right in the disputed domain name. See, e.g., (Doc. 17) at ¶ 28,
25 31, 33, and 73.

26 Next, Plaintiff argues that the ACPA bad faith factors do not indicate a lack of bad
27 faith. Under this analysis, courts consider nine nonexclusive factors in determining
28 whether bad faith intent to profit exists. 15 U.S.C. § 1125(d)(1)(B)(i)-(ix). “Courts need

1 not march through the nine factors seriatim because their use is merely permissive and
 2 the most important grounds for finding bad faith are the unique circumstances of the
 3 case.” IFIXITUSA LLC v. iFixit Corp., No. CV-21-00887-PHX-DGC, 2022 WL
 4 2117845, at * 4 (D. Ariz. 2022) (quotations omitted). The factors are as follows:

5 1) whether the registrant owns any independent trademark or other
 6 intellectual property rights in the domain name; 2) whether the domain
 7 name comprises the registrant’s legal name or a name commonly associated
 8 with that person; 3) whether the registrant used the domain name to offer
 9 bona fide goods or services; 4) whether the registrant made bona fide
 10 noncommercial or fair use of the mark on the website to which the domain
 11 name resolves; 5) whether the registrant intended to divert customers from
 12 the mark owner’s website for commercial gain or with the intent to dilute
 13 the mark or create a likelihood of confusion; 6) the registrant’s offer to
 14 transfer, sell, or otherwise assign the domain name for financial gain; 7) the
 15 registrant’s use of material and misleading false contact information for the
 16 domain name; 8) the registrant’s registration or acquisition of multiple
 17 infringing domain names; and 9) whether the mark incorporated in the
 18 domain name is distinctive or famous.

19 See 15 U.S.C. §1125(d)(1)(B).

20 Using these factors, the Court finds that Plaintiff’s own statements in his Second
 21 Amended Complaint show bad faith by Plaintiff. First, Plaintiff does not at any point
 22 plausibly allege that he owns an intellectual property interest in the domain name, past
 23 the conclusory statement that he “has legal right to use” the domain name. (Doc. 17) at ¶
 24 54. The Court disregards such conclusory statements in ruling on a motion to dismiss.
 25 Further, Plaintiff states that while his company served the broader travel industry, he
 26 specifically leveraged Defendant’s brand to “communicate[] the nature of his service in
 27 an industry where online visibility is paramount.” (Doc. 17) at ¶ 30. This further shows
 28 Plaintiff’s own admission as to the distinctiveness and fame of Defendant’s mark and his
 attempt to use such distinctiveness and fame for his own commercial purposes. Finally,
 Courts have consistently found an intent to divert for commercial gain when a party
 registers a domain name with a minor variation to an existing trademark. See GoPets v.
Hise, 657 F.3d 1024, 1033 (9th Cir. 2011) (finding that “it is clear that [domain
 registrant] intended the Additional Domains [including , and among others] ‘to divert

1 consumers from the mark owner's online location to a site accessible under [these]
2 domain name[s] ... by creating a likelihood of confusion.'"); See also, Super-Krete Int'l,
3 712 F. Supp. 2d at 1033 (finding bad faith where "Defendants only interest in the domain
4 name [] is to divert customers who may have been searching for Plaintiff's mark to their
5 own commercial website"). Based on Plaintiff's own omissions, the Court finds that
6 Plaintiff has failed to plausibly allege a lack of bad faith based on the enumerated ACPA
7 bad faith factors.

8 Finally, Plaintiff argues that the ACPA safe harbor provision, codified at 15
9 U.S.C. § 1125(d)(1)(B)(ii), prevents a finding of bad faith. The safe harbor provisions
10 provides that even when the previously stated factors show bad faith, bad faith will not be
11 found when "the court determines that the person believed and had reasonable grounds to
12 believe that the use of the domain name was a fair use or otherwise lawful." 15 U.S.C. §
13 1125(d)(1)(B)(ii).

14 The Court does not find the safe harbor to plausibly protect Plaintiff. The safe
15 harbor "protects uses such as parody and comment[] and use by persons ignorant of
16 another's superior right to the mark." DSPT Int'l, Inc. v. Nahum, 624 F.3d 1213, 1220
17 (9th Cir. 2010). Neither are implicated in this case, as the Plaintiff has not plead a use of
18 the domain for parody or comment purposes, nor could Plaintiff plausibly allege that he
19 was ignorant of Defendant's superior right to the mark. Plaintiff, by his own admission,
20 used Defendant's mark to associate with the industry of which Defendant is apart,
21 thereby recognizing the superior right of Defendant. Also to note, courts are instructed to
22 make sparing use of the safe harbor in negating a party's bad faith. Lahoti, 586 F.3d at
23 1202. The Court does not find such rare circumstances to be present in this case.

24 Therefore, as the Court finds that Plaintiff has failed to plausibly allege that his
25 use of the disputed domain name did not violate the ACPA, the Court will grant the
26 motion to dismiss with respect to the counts centering on the ACPA. The Court will not
27 grant leave to amend, as it does not find the "pleading could not possibly be cured by the
28 allegation of other facts." Lopez v. Smith, 203 F.3d 1122, 1127 (9th Cir. 2000) (citations

omitted).

B. Unjust Enrichment Claim

Defendant asserts that Plaintiff's claim alleging unjust enrichment must be dismissed. "Unjust enrichment occurs when one party has and retains money or benefits that in justice and equity belong to another." Trustmark Ins. Co. v. Bank One, Arizona, NA, 48 P.3d 485, 491 (Ariz. Ct. App. 2002), as corrected (2002) (citing City of Sierra Vista v. Cochise Enter., Inc., 697 P.2d 1125, 1131 (Ariz. Ct. App. 1984)). To state a claim for unjust enrichment, a Plaintiff must plead (1) an enrichment; (2) an impoverishment; (3) a connection between the enrichment and the impoverishment; (4) the absence of justification for the enrichment and the impoverishment; (5) the absence of a legal remedy. Id.

Defendant asserts that Plaintiff has not plausibly plead that Defendant has received any unjustified benefit at Plaintiff's expense. First, the Defendant argues that the domain transfer will not occur until the conclusion of the suit, therefore there has been no benefit to Defendant. Secondly, the transfer would be in accordance with the UDPR which is, by its definition, justified. Plaintiff asserts that the benefit conferred would be the cost incurred by Plaintiff to register the domain name. Further, Plaintiff argues that an unjust enrichment claim does not require a wrongdoing by the Defendant.

The Court finds that Plaintiff has not plausibly plead a claim for unjust enrichment. As the Court finds above, the Plaintiff has not plead a claim that plausibly asserts that the transfer of the domain is not justified under the law. Since a claim for unjust enrichment requires a showing that there is an "absence of justification for the enrichment," Plaintiff does not state a claim upon which relief may be granted. The Court will grant the motion to dismiss as to the unjust enrichment claim. The Court further does not grant leave to amend, as the count is barred by law.

C. Remaining Claims

The Court finds that Plaintiff's remaining causes of action do not state cognizable claims. The claims for temporary injunctive relief and permanent injunctive relief appear

1 to be brought incorrectly as independent claims of action, rather than the relief Plaintiff
2 requests this Court to grant.

3 Plaintiff additionally includes in his Complaint statements of law discussing the
4 First Amendment and the equitable doctrine of laches. The Court does not find such legal
5 contentions to have been properly plead to connect to a theory of recovery for Plaintiff,
6 and even if they had been, the Court does not find that the Plaintiff has plausibly alleged
7 a violation of his First Amendment rights, or applicability of the doctrine of laches.

8 **D. Conclusion**

9 For the preceding reasons, the Court grants Defendant's Motion to Dismiss. The
10 Court will not grant leave to amend, as the Court finds that the claims are either barred by
11 law or are uncurable by further amendments.


12 Accordingly,

13 **IT IS ORDERED granting** Defendant's Motion to Dismiss. (Doc. 25)

14 **IT IS FURTHER ORDERED dismissing** Plaintiff's Second Amended
15 Complaint, with prejudice. (Doc. 17).

16 **IT IS FURTHER ORDERED directing** the Clerk of the Court to terminate this
17 action.

18 Dated this 18th day of December, 2024.

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22 Stephen M. McNamee
23 Senior United States District Judge
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